Nebraska Public Power District

Always there when you need us

NLS2005066
July 28, 2005

U. S. Nuclear Regulatory Commission
Attention: Document Control Desk
Washington, DC 20555-0001

Subject: Licensee Guarantees of Payment of Deferred Premiums
Cooper Nuclear Station, Docket No. 50-298, DPR-46

The purpose of this letter is to transmit information in accordance with the requirements of 10 CFR Part 140.21, relative to deferred insurance premiums, for the Nebraska Public Power District (NPPD). NPPD believes this information demonstrates our ability to obtain funds in the amount of $10 million for payment of such premiums within the specified three month period.

NPPD has executed a Credit Agreement, which is included as an enclosure, with JPMorgan Chase Bank, N.A., which indicates that said bank will lend NPPD funds, not to exceed $10 million as specifically required to pay public liability claims arising from nuclear incidents. This Credit Agreement is valid through July 31, 2006, at which time NPPD will submit the appropriate documentation to verify the guarantee requirements for the following year.

Should you have questions, or require additional information, please contact me at 402-825-2774.

Paul V. Fleming
Licensing Manager

/cm

Enclosure

cc: Regional Administrator w/enclosure
USNRC - Region IV

Senior Project Manager w/enclosure
USNRC - NRR Project Directorate IV-1

Senior Resident Inspector w/o enclosure
USNRC

M001

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NPG Distribution w/o enclosure

D. K. Starzec w/o enclosure

CNS Records w/enclosure

Correspondence Number: NLS2005066

The following table identifies those actions committed to by Nebraska Public Power District (NPPD) in this document. Any other actions discussed in the submittal represent intended or planned actions by NPPD. They are described for information only and are not regulatory commitments. Please notify the Licensing Manager at Cooper Nuclear Station of any questions regarding this document or any associated regulatory commitments.

COMMITMENT	COMMITMENT NUMBER	COMMITTED DATE OR OUTAGE
None	NA	NA

CREDIT AGREEMENT

CREDIT AGREEMENT, dated as of **August 1, 2005**, between NEBRASKA PUBLIC POWER DISTRICT (herein called the "District") and JPMorgan Chase Bank, N.A. (herein called the "Bank"), and its successors and assigns.

The District desires to provide for future borrowings, and the Bank is willing to commit to lend to the District, upon the terms and conditions herein set forth, the aggregate sum of up to $10,000,000, in such installments and at such times as hereinafter provided, to be evidenced by notes of the District therefor.

In consideration of the foregoing and the covenants and conditions herein contained, the parties hereto agree as follows:

1. Definitions. The following terms shall, for all purposes of this Credit Agreement, have the following meanings:

"Act" shall mean the Public Power and Irrigation District Law, constituting Article 6 of Chapter 70 of the Revised Statutes of Nebraska, as amended and supplemented.

"General Resolution" shall mean the resolution entitled "General Revenue Bond Resolution" adopted by the Board of Directors of the District on June 4, 1998, as supplemented in accordance with the terms thereof.

"General Bonds" shall mean General Revenue Bonds of the District authorized to be issued under the General Resolution.

"Revenue Fund" shall mean the Revenue Fund established in Section 502 of the General Resolution.

"Loans" shall mean the loans provided for in this Credit Agreement.

"Note or Notes" shall mean any note or notes, as the case may be, issued pursuant to this Credit Agreement by the District to evidence any Loan as such note or notes are renewed, replaced, amended or substituted.

"Note Resolution" shall mean the resolution of the District entitled "Resolution Authorizing $10,000,000 Bank Credit of **2005**," adopted **July 15, 2005**, the issuance of the Notes and authorizing the execution and delivery of this Credit Agreement, a true and correct copy of which resolution is annexed hereto as Annex A.

2. Commitment to Lend. The Bank hereby agrees, upon the adoption of the Note Resolution, and upon the terms and conditions herein set forth, to make one or more Loans to the District, in accordance with the provisions of this Credit Agreement in an aggregate principal amount up to, but not exceeding $10,000,000, each Loan to be in the principal amount

of not less than $250,000. The Bank's commitment to loan shall expire on the earlier of: (i) **July 31, 2006**, or (ii) the occurrence of an event of default under any of the Notes.

3. Borrowings. The District shall give the Bank at least two (2) days prior notice of the date and amount of each borrowing hereunder. Each borrowing pursuant thereto shall take place at the principal office of the Bank at LaSalle and Monroe Streets, Chicago, Illinois. Not later than 11:00 a.m. on the date of each borrowing, the Bank shall, subject to the terms of this Credit Agreement, make available to the District, Federal Reserve or other immediately available funds in the principal amount being borrowed, upon delivery to the Bank of a Note in such principal amount.

4. The Notes. Each Note shall be designated as "NRC Note, Series **2005**," shall be payable to the order of JPMorgan Chase Bank, N.A., shall be dated the date of its delivery, shall be payable one year from its date of issue (subject to optional prepayment as provided in Section 8 hereof), and shall bear interest (payable on the first day of each January, April, July and October) on the unpaid principal amount thereof from its date fluctuating at the rate per annum equal to 87% of the rate of interest announced or published publicly from time to time by the Bank as its base rate or equivalent rate of interest. Such interest rate shall be computed on the basis of a 365/366-day year.

The Notes shall be executed on behalf of the District by the manual signature of its Chairman, Vice Chairman, President, Treasurer or Assistant Treasurer and its corporate seal shall be affixed, imprinted, engraved or otherwise reproduced thereon and attested by the manual signature of its Secretary or any Assistant Secretary and shall be otherwise in substantially the form annexed hereto as Annex B.

5. Commitment Fee. The District shall pay to the Bank as a commitment fee contemporaneously with the execution of this Credit Agreement the sum of **$25,000**. In addition, the Bank has the right to demand an additional commitment fee ("Additional Commitment Fee") upon the occurrence of a downgrade of the District's General Bonds. Such Additional Commitment Fee shall be equal to $10,000, for each level above level "1" that the District's General Bonds are rated pursuant to the schedule below, by one of the rating agencies listed in the schedule below. The District must provide written notification on any public rating agency downgrade within 15 business days of its occurrence, and pay any Additional Commitment Fee to the Bank within 5 business days of Bank's demand thereof.

	Moody's	S&P	Fitch
Level 1	A2	A	A
Level 2	A3	A-	A-
Level 3	Baa1	BBB+	BBB+
Level 4	Baa2	BBB	BBB
Level 5	Baa3	BBB-	BBB-

6. Tax Indemnification.

(i) The parties intend that the Bank shall receive in respect of the Notes amounts equal to the principal thereof and interest thereon as provided hereunder, when due,

without deductions, penalties, charges, or withholdings as a result of the imposition of any federal income or similar federal tax imposed on the Bank as a holder of any of the Notes (collectively "Taxes").

Any such Taxes shall be paid by the District. The District will pay the Bank the amounts necessary such that the net amount of the principal and interest received and retained by the Bank is not less than the amount payable under this Agreement had such Taxes not been imposed.

If, notwithstanding the previous two sentences, the Bank pays any such Taxes, the Bank will furnish to the District official tax receipts or evidence of payment of all such Taxes and the District will promptly reimburse the Bank therefor.

(ii) If the Internal Revenue Code of 1986, as amended, (the "Code"), or any other federal income tax law, rule, regulation, or governmental interpretation thereof hereafter enacted, adopted or issued, other than any such change mentioned in (iii) below, when affecting the Bank as a holder of the Notes or compliance by the Bank as a holder of the Notes with such,

(a) subjects the Bank to any tax, duty, charge, or withholding due on the principal of or interest on the Notes or changes the basis of taxation of payments to the Bank in respect of the principal of or interest on the Notes, including, without limitation, the effect of any limitation on the deductibility of interest on the funds obtained to purchase or carry the Notes; or

(b) imposes any other condition or circumstance the result of which is to increase the cost to the Bank of purchasing, funding or carrying the Notes, or reduces any amount receivable by the Bank in connection with the principal of or interest on the Notes or requires the Bank to make any payment calculated by reference to the amount of the Notes or interest received by it in an amount deemed material by the Bank;

then, within thirty days of demand by the Bank, the District shall pay the Bank an amount which will be equal, on an after-tax basis to the Bank (taking into account any taxes payable by the Bank on such amount), to (a) that portion of such increased cost incurred or (b) the amount or reduction in an amount received which the Bank determines is attributable to purchasing, funding or carrying the Notes to the extent of the principal amount thereof outstanding from time to time. The effect of any such increased cost which is imposed on the Bank generally may be allocated to the Notes on any reasonable basis in the discretion of the Bank.

(iii) If at any time or times while the Bank is the Holder of the Notes there is a change in the maximum marginal tax rate (the "Tax Rate") at which the Bank could be taxed for federal income tax purposes, the interest rate on the Notes shall be decreased (in the case of a decrease in the Tax Rate) to an interest rate equal to the product of (i) the interest rate on the Notes in effect immediately prior to a change in the Tax Rate times (2) a fraction (expressed in decimals) the numerator of which is the number one (1) minus the applicable Tax Rate after such change and the denominator of which is the number one (1) minus the Tax Rate which had been in effect prior to such change in the Tax Rate.

(iv) Notwithstanding any of the other provisions of this Agreement, if the District has paid the additional amount specified in (ii) and (iii) above, the District shall not be obligated

to pay or reimburse the Bank for any tax on the income of the Bank to the extent that such income tax is attributable to the inclusion in the gross income of the Bank for federal tax purposes of interest on the Notes as if such interest had been timely reported and timely paid.

7. Conditions Precedent to Loans. The Bank shall not be obligated to make any loan unless at the date specified for the making thereof the District delivers to the Bank:

(a) The opinion of the General Counsel to the District, dated as of such date, to the effect that:

(i) There is no litigation pending in any court, either State or Federal, questioning the creation, organization or existence of the District or the validity of this Credit Agreement or the Note being issued to evidence such Loan; and

(ii) The District has the power to borrow the amount being loaned; to execute and deliver this Credit Agreement; to evidence the Loans by its Notes to be made and delivered in accordance herewith, and to perform and observe all of the terms and conditions of this Credit Agreement on its part to be performed and observed; and

(b) A certificate of the Chairman, President, Treasurer, Assistant Treasurer or any Vice Presidents of the District, dated as of such date, to the effect that the representations and warranties of the District contained in Section 15 and 16 of this Credit Agreement are true and correct as of such date; and

(c) A certificate of the Chairman, President, Treasurer, Assistant Treasurer or any Vice Presidents of the District, dated as of such date, setting forth the aggregate amount of bonds and notes of the District that will be outstanding immediately after the issuance of the Note then being issued and stating that no default has occurred in the payment of principal of or interest on any indebtedness for borrowed money of the District which remains unsecured; and

(d) The opinion of Fulbright & Jaworski L.L.P., Bond Counsel to the District, dated as of such date, substantially in the form annexed thereto as Annex C;

(e) A Tax and Non-Arbitrage certificate, dated as of such date, in accordance with the provisions of the Code; and

(f) Such additional certificates, instruments and other documents as the Bank or its counsel may deem necessary to effect good delivery of the Note being delivered on such date or evidence the due performance by the District of the conditions precedent hereunder.

8. Optional Prepayment. The District may prepay any Note as a whole or in part, at any time or from time to time, without penalty or premium, by paying to the Bank all or

part of the principal amount of the Note to be prepaid, together with the unpaid interest accrued on the amount of principal so prepaid to the date of such prepayment. Each prepayment of a Note shall be made on such date and in such principal amount as shall be specified by the District in a written notice delivered to the Bank not less than 10 days prior thereto. Notice having been given as aforesaid, the principal amount of the Note stated in such notice or the whole thereof, as the case may be, shall become due and payable on the prepayment date stated in such notice, together with interest accrued and unpaid to the prepayment date on the principal amount then being paid; and the amount of principal and interest then due and payable shall be paid (i) in case the entire unpaid balance of the principal of any Note is to be paid, upon presentation and surrender of such Note to the District or its representative at the principal office of the Bank, and (ii) in case only part of the unpaid balance of principal of any Note is to be paid, upon presentation of such Note at the principal office of the Bank for notation thereon by the Bank of the amount of principal and interest on such Note then paid. If on the prepayment date moneys for the payment of the principal amount to be prepaid on such Note together with interest to the prepayment date on such principal amount, shall have been paid to the Bank as above provided and if notice of prepayment shall have been given to the Bank as above provided, then from and after the prepayment date interest on such principal amount of such Note shall cease to accrue. If said moneys shall not have been so paid on the prepayment date, such principal amount of such Note shall continue to bear interest until payment thereof at the rate provided for in Section 4 of this Credit Agreement.

9. Application of Note Proceeds. The proceeds of the Notes shall be used to pay amounts required to be paid by the District as a result of one or more nuclear incidents, as provided in the Price-Anderson Act, as amended (Pub. L. 94-197, as amended and as compiled in 42 U.S.C. Section 2210 and pertinent subsections of 42 U.S.C. Section 2014, as amended) and certain regulations of the Nuclear Regulatory Commission (10 C.F.R. Part 140, as amended in particular by 42 Fed. Reg. 46-54 (January 3, 1977)) or any act or regulation supplemental thereto or amendatory thereof.

10. Payment. The obligation to pay the principal of and interest on the Notes and the other amounts payable hereunder is a special obligation of the District payable solely from such amounts in the Revenue Fund as may be available therefor; provided, however, that such obligation to pay the principal of and interest on the Notes and the other amounts payable hereunder from amounts in the Revenue Fund shall be subject and subordinated in all respects to the pledge of the Pledged Property (as defined in the General Resolution), by the General Resolution, to the payment of the General Bonds. The District shall duly and punctually pay or cause to be paid from the Revenue Fund, in Federal Reserve or other immediately available funds, the principal of the Notes, the interest thereon and the other amounts payable hereunder at the dates and place and in the manner provided herein and in the Notes according to the true intent and meaning thereof. If the principal of the Notes becomes due and payable on a Saturday or Sunday or a day which is a Bank holiday, such payment shall be made on the next succeeding Bank business day and the extension of time for payment shall be included in computing interest in connection with such payment.

11. All of the Bank's rights and remedies under this Credit Agreement are cumulative and nonexclusive. The acceptance by the Bank of any partial payment made

hereunder after the time when any of District's Loans become due and payable will not establish a custom, or waive any rights of the Bank to enforce prompt payment thereof. The Bank's failure to require strict performance by the District of any provision of this Credit Agreement shall not waive, affect or diminish any right of the Bank thereafter to demand strict compliance and performance therewith. Any waiver of an event of default hereunder shall not suspend, waive or affect any other event of default hereunder.

12. Rate Covenant. The District covenants and agrees with the Bank that so long as any credit shall be available hereunder or any Note or interest thereon is unpaid it shall comply for the benefit of the Bank with requirements of Section 709 of the General Resolution.

13. Negative Covenants of the District. The District, if and so long as credit shall be available hereunder or any Note or interest thereon is unpaid, will not alter, amend or repeal the Note Resolution, or take any action impairing the authority thereby or hereby given with respect to the issuance and payment of the Notes.

14. Tax Covenant. In order to maintain the exclusion from gross income for purposes of federal income taxation of interest on the Notes, the District shall comply with the provisions of the Code applicable to the Notes, including without limitation the provisions of the Code which prescribe yield and other limits within which the proceeds of the Notes and other amounts are to be invested and require that certain investment earnings on the foregoing be rebated on a periodic basis to the Treasury Department of the United States of America. The District shall not take any action or fail to take any action, which would cause the Notes to be "Arbitrage Bonds" within the meaning of Section 148(a) of the Code.

15. The District represents and warrants that it has S&P and Fitch ratings of BBB- or better and/or Moody's rating of Baa3 or better, and that it has access to capital markets for refinancing and shall immediately notify the Bank if it does not maintain such status or access.

16. Representations and Warranties. The District represents and warrants that:

(a) The District has the power to borrow the amount provided for in this Credit Agreement; to execute and deliver this Credit Agreement; to evidence the Loans by its Notes to be made and delivered in accordance with the provisions hereof and to perform and observe all of the terms and conditions of this Credit Agreement on its part to be performed and observed;

(b) The making and performance by the District of this Credit Agreement will not violate any provision of the Act, or any bond or note resolution of the District, or any regulation, order or decree of any court, and will not result in a breach of any of the terms of the petition for creation, as amended, of the District or any agreement or instrument to which the District is a party or by which the District is bound; and

(c) The District, by adoption of the Note Resolution has duly authorized the borrowing of the amount provided for in this Credit Agreement, the execution and delivery of this Credit Agreement, and the making and delivery of the Notes to the Bank

as herein provided; and to that end the District warrants that it will take all action and will do all things which it is authorized by law to take and to do in order to fulfill all covenants on its part to be performed and to provide for and to assure payment of the Loans as herein provided.

17. Acceleration of Due Date Upon Default. If one or more of the following events of default shall occur and be continuing:

(a) Default shall occur and be continuing in the payment when due of any principal or interest on any Note;

(b) Any representation or warranty made herein or pursuant hereto shall prove to be untrue in any material respect;

(c) Default shall occur in the performance of any of the other covenants or agreements of the District contained herein or in any note, and the act or omission creating such default shall continue for a period of 30 days after written notice thereof shall have been given to the District; or

(d) Default shall be made in the payment of the principal of or interest on any General Bonds when due, and as a result of such default, the maturity of such Bonds is accelerated;

then, and in any such event, the Bank shall have the right to declare the principal of and all interest then accrued on all Notes to be due and payable immediately, and upon such declaration the Notes and the interest accrued thereon shall become due and payable, anything in this Credit Agreement or in the Notes contained to the contrary notwithstanding.

18. Defeasance. If the District shall pay or cause to be paid, or there shall otherwise be paid, to the Bank the principal of and interest on the Notes at the times and in the manner stipulated herein, then the covenants, agreements and other obligations of the District hereunder shall thereupon cease, terminate and become void and be discharged and satisfied. If moneys sufficient to pay the principal amount of the Notes and interest thereon until maturity or a date fixed for repayment shall have been paid to the Bank for application to such purpose, the Notes and the interest thereon shall be deemed to have been paid within the meaning and with the effect expressed in this Section. Amounts so set aside and held may be invested in obligations of, or guaranteed by, the United States of America, provided, however, that said obligations shall mature not later than the maturity date of the Notes. All earnings from such investments shall be paid over to the District, as received, free and clear of any trust, lien or pledge.

19. Notices. All notices under this Credit Agreement shall be in writing and written notices shall be deemed to have been duly given if delivered or mailed by registered mail, in the case of the District, at Box 499, Columbus, Nebraska 68601, Attention: First Vice President, and in the case of the Bank, at its principal office at 120 South LaSalle Street, Chicago, Illinois 60603-3400, Attention: Krenna A. Weiss.

20. Counterparts. This Credit Agreement may be executed in any number of counterparts, and all such counterparts executed and delivered, each as an original, shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the District and the Bank have caused this Credit Agreement to be duly signed on their respective behalf by their officers thereunto duly authorized, all as of the date and year first above written.

NEBRASKA PUBLIC POWER DISTRICT

By Ronald D Asche
Vice President

JPMORGAN CHASE BANK, N.A.

By Brenna A. Wi
First Vice President

ANNEX A

Resolution Authorizing $10,000,000 Bank Credit of **2005**

Be it Resolved, by the Board of Directors of Nebraska Public Power District, as follows:

Section 1. Pursuant to the Public Power and Irrigation District Law, Article 6 of Chapter 70 of the Revised Statutes of Nebraska, as amended and supplemented (herein called the "Act"), Nebraska Public Power District (herein called the "District") shall be authorized to enter into a credit agreement (herein called the "Credit Agreement") for one or more loans in an aggregate principal amount up to, but not exceeding, $10,000,000 from JPMorgan Chase Bank, N.A. (herein called the "Bank") in substantially the form submitted at this meeting, to which shall be annexed, as Annex A, a copy of this resolution adopted by the District. Each loan shall be made in the principal amount of not less than $250,000 on any date on or before **July 31, 2006**; provided that the District shall give the Bank two (2) days prior notice of the date and amount of each borrowing and shall be evidenced by a NRC Note, Series 2004 (herein called a "Note"; all Notes made under the Credit Agreement are herein collectively called the "Notes") of the District in the aggregate principal amount of each loan, which Note shall be issued and delivered by the District to the Bank in the principal amount and on the date of the loan evidenced thereby. Each Note shall be payable to the order of the Bank from the sources set out in Section 10 of the Credit Agreement, shall be dated the date of its delivery, shall be payable one year from its date of issue (subject to optional prepayment as a whole or in part, at any time or from time to time, without penalty or premium, as provided in the Credit Agreement) and shall bear interest (payable on the first day of each January, April, July and October and upon maturity) on the unpaid principal amount thereof from its date fluctuating at the rate per annum equal to 87% of the rate of interest announced or published publicly from time to time by the Bank as its base rate or equivalent rate of interest. Interest is to be computed on the basis of a 365/366-day year. Each Note shall be in substantially the form set forth in Annex B to the Credit Agreement.

Section 2. The proceeds of the Notes shall be applied by the District to the purpose and in the manner provided in Section 9 of the Credit Agreement.

Section 3. The President, any Vice President, the Treasurer, and the Assistant Treasurer of the District are each hereby authorized to execute the Credit Agreement.

Section 4. The Chairman, Vice Chairman, President, any Vice President, Treasurer or Assistant Treasurer of the District are each hereby authorized to execute the Notes. Any of the foregoing officers are hereby authorized to deliver the executed Notes in accordance with the provisions of the Credit Agreement.

Section 5. The Chairman, Vice Chairman, President, Treasurer or Assistant Treasurer of the District and the Secretary or any Assistant Secretary are, and each of them hereby is authorized to do and perform all things and to execute all papers in the name of the District or otherwise, as they deem advisable, and to make all payments, necessary or convenient in their respective opinions, to the end that the District may carry out the objects of this resolution and its obligations under the terms of the Credit Agreement and of the Notes.

ANNEX B

(FORM OF NOTE)

NEBRASKA PUBLIC POWER DISTRICT

NRC NOTE, SERIES 2005

No. $

FOR VALUE RECEIVED, the undersigned, NEBRASKA PUBLIC POWER DISTRICT (the "District"), a public corporation and political subdivision organized and existing under and by virtue of the laws of the State of Nebraska, hereby promises to pay to the order of JPMORGAN CHASE BANK, N.A. (the "Bank") on _____, 20__ upon presentation and surrender of this Note at the principal office of the Bank, the principal sum of _____ Dollars ($_____), in lawful money of the United States of America, and to pay interest (payable on _____, 20__ and quarterly thereafter on the first day of each January, April, July and October and upon maturity) on said principal sum at said office in like money from the date hereof fluctuating at the rate per annum equal to 87% of the rate of interest announced or published publicly from time to time by the Bank as its base rate or equivalent rate of interest. Such interest shall be computed on the basis of a 365/366-day year.

This Note is a special obligation of the District and is one of a duly authorized issue of notes of the District (the "Notes") issued and to be issued under and pursuant to the Public Power and Irrigation District Law of Nebraska, as amended and supplemented (herein called the "Act"), and under and pursuant to a resolution of the District, adopted **July 15, 2005**, entitled Resolution Authorizing $10,000,000 Bank Credit of **2005** (the "Note Resolution"), and under and pursuant to a Credit Agreement (the "Credit Agreement"), dated as of **August 1, 2005** by and between the District and the Bank.

The obligation to pay the principal of and interest on this Note is a special obligation of the District payable solely from such amounts in the Revenue Fund (as defined in the Credit Agreement) as may be available therefor under the General Revenue Bond Resolution adopted by the District on June 4, 1998 (the "General Resolution"); provided, however, that such obligation to pay the principal of and interest on this Note from the Revenue Fund is subject and subordinated in all respects to the pledge of the Pledged Property (as defined in the General Resolution) to the payment of the Bonds (as defined in the General Resolution) pursuant to the General Resolution.

This Note is subject to the terms and conditions contained in the Note Resolution and the Credit Agreement, copies of which are on file at the principal office of the District, and reference is made thereto for a complete statement of such terms and conditions.

The District shall have the right to prepay this Note as a whole or in part, at any time or from time to time, without penalty or premium, in accordance with the terms of the Credit

Agreement. The prepayment date and the principal amount of the Note to be prepaid shall be specified by the District in a written notice to the Bank not less than 10 days prior to any prepayment. If on the prepayment date moneys for the payment of the principal amount of this Note to be prepaid, together with interest to the prepayment date on such principal amount, shall have been paid to the Bank as above provided, then from and after the prepayment date interest on such principal amount of this Note shall cease to accrue. If said moneys shall not have been so paid on the prepayment date, such principal amount of this Note shall continue to bear interest as provided above until payment thereof.

This Note is not an obligation of the State of Nebraska and the Act provides that the State of Nebraska shall never pledge its credit or funds, or any part thereof, for the payment or settlement of any indebtedness whatsoever of the District.

IN WITNESS WHEREOF, Nebraska Public Power District has caused this Note to be signed in its name and on its behalf by its President or Vice President or Treasurer or Assistant Treasurer, as of _____ day of _____, 20__.

NEBRASKA PUBLIC POWER DISTRICT

By_____
Vice President

ANNEX C

_____, 20__

Nebraska Public Power District
Columbus, Nebraska

JPMorgan Chase Bank, N.A.
Chicago, Illinois

Gentlemen:

We have examined the record of proceedings relating to the issuance of the $_____ NRC Note, Series 2005, No. _____, dated _____, 20__ (the "Note"), of Nebraska Public Power District (the "District"), a body corporate and politic, constituting a public corporation and political subdivision of the State of Nebraska.

The Note is issued under and pursuant to Chapter 70, Article 6, of the Revised Statutes of the State of Nebraska, as amended (the "Act"), and under and pursuant to a Credit Agreement (the "Credit Agreement"), between the District and JPMorgan Chase Bank, N.A. (the "Bank"), dated as of **August 1, 2005**, authorized by a resolution (the "Note Resolution") of the District adopted on **July 15, 2005** and entitled "Resolution Authorizing $10,000,000 Bank Credit of 2005."

The Note is payable to the order of the Bank, matures on _____, 20__ (subject to prepayment in accordance with the terms of the Credit Agreement), and bears interest (payable on _____, 20__ and quarterly thereafter on the first day of January, April, July and October and upon maturity) from its date fluctuating at the rate per annum equal to 87% of the rate of interest announced or published publicly from time to time by the Bank as its base rate or equivalent rate of interest. Such interest rate shall be computed on the basis of a 365/366-day year.

The obligation to pay the principal of and interest on the Note is a special obligation of the District payable solely from such amounts in the Revenue Fund created under the General Revenue Bond Resolution adopted by the District on June 4, 1998 (the "General Resolution") as may be available therefor; provided, however, that such obligation to pay the principal of and interest on the Note from the Revenue Fund is subject and subordinated in all respects to the pledge of the Pledged Property (as defined in the General Resolution) to the payment of the Bonds (as defined in the General Resolution) pursuant to the General Resolution.

We are of the opinion that:

1. The District is duly created and validity existing under the provisions of the Act, with power to adopt the Note Resolution, to enter into the Credit Agreement, to issue the Note thereunder and to make and perform the covenants contained in the Credit Agreement.

2. The Note Resolution has been duly adopted by the District, is in full force and effect and is valid and binding on the District and enforceable in accordance with its terms, and the Credit Agreement has been duly authorized and executed by the District, is in full force and effect, is valid and binding upon the District and enforceable in accordance with its terms.

3. The Note has been duly authorized and issued by the District in accordance with law and in accordance with the Note Resolution and the Credit Agreement, and is a valid binding and direct obligation of the District enforceable in accordance with its terms and entitled to the benefit of the Act and of the Credit Agreement.

4. The Internal Revenue Code of 1986 as amended (the "Code") sets forth certain requirements which must be met subsequent to the issuance and delivery of the Note for interest thereon to be and remain excluded from gross income for purposes of federal income taxation. Noncompliance with such requirements may cause interest on the Note to be included in gross income retroactive to the date of issue of the Note. The District has covenanted to comply with such requirements.

In our opinion, under existing law, and assuming compliance with the aforementioned covenant, interest on the Note is excluded from gross income for federal and State of Nebraska income tax purposes. The Note is not a "specified private activity bond" within the meaning of Section 57(a) (5) of the Code and, therefore, the interest of the Note will not be treated as a preference item for purposes of computing the federal alternative minimum tax imposed by Section 55 of the Code. However, we note a portion of the interest on the Note owned by corporations may be subject to the federal alternative minimum tax, which is based in part on adjusted current earnings.

5. The District is obligated to apply the proceeds of the Notes to pay amounts to be paid by the District as a result of one or more nuclear incidents, as provided in the Price-Anderson Act, as amended (Pub.L. 94-197, as amended and as compiled in 42 U.S.C. Section 2210 and pertinent subsections of 42 U.S.C. Section 2014, as amended) and certain regulations of the Nuclear Regulatory Commission (10 C.F.R. Part 140, as amended in particular by 42 Fed. Reg. 46-54 (January 3, 1977)) or any act or regulation supplemental thereto or amendatory thereof.

Except as stated in the preceding two paragraphs, we express no opinion as to any federal or state tax consequences of the ownership of, receipt of interest on, or disposition of the Note.

The opinions contained in paragraphs 2 and 3 above are qualified to the extent that the enforceability of the Note Resolution, the Credit Agreement and the Note, respectively, may be limited by any applicable bankruptcy, moratorium or similar laws relating to the enforcement of creditors' rights.

We have examined the Note, as executed, and, in our opinion, the form of said Note and its execution are regular and proper.

Very truly yours,

_____

Fulbright & Jaworski L.L.P.